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May 14, 2002

Ex Parte

William Caton
Acting Secretary
Federal Communications Commission
445 12th St., S.W. – Portals
Washington, DC 20554

RE: Application by Verizon—New Jersey Inc. for Authorization To Provide In-Region, InterLATA Services in State of New Jersey, Docket No. 02-67—**REDACTED**

Dear Secretary Caton:

On May 13, 2002, Andoni Economou and Elliot Goldberg, representing Metropolitan Telecommunications ("MetTel"), met with Brent Olson, Alexis Johns, Jeremy Miller and Ben Childers. The subjects and substance of the information provided by MetTel are set forth below. In addition, the attachments represent materials utilized and distributed by MetTel during the meeting.

It is clear that Verizon—New Jersey, Inc. ("Verizon") is not providing nondiscriminatory access to its OSS to CLECs in general or to MetTel in particular. As demonstrated at the meeting, there are significant performance and accuracy issues that remain unresolved. Against this background, we continue to urge the Commission to deny Verizon's application for 271 authorization.

Generally

Effective competition is predicated on a strong, open and reliable Operational Support System (OSS). Verizon's systems are ineffective and as such act as barriers to competition. Verizon's ineffectiveness is demonstrated by its own performance results. Moreover, MetTel has, and again herein, demonstrates that Verizon's OSS performance is significantly worse than reported by Verizon. The receipt of Verizon's flat files has refined MetTel's analysis and the results reflect a state of OSS that is entirely inadequate.

With respect to timely provisioning of LSRCs and Rejects, as well as timely return of Provisioning Completion and Billing Completion Notices, it is clear that Verizon is not prepared to support robust competition in New Jersey. Overall, MetTel's calculation of Verizon's performance metrics indicates that Verizon failed ** sub-metrics for the period

of November 2001 through March 2002. In addition, inaccurate notifiers demonstrate critical systemic issues that affect the industry. Further, underdeveloped business rules and policies negatively impact the achievement of a competitive industry.

Performance Measures

Approximately two to three weeks ago MetTel finally received Verizon's Flat File providing the missing information that MetTel needed to determine Verizon's classification of MetTel's orders. The Flat File provides information that a CLEC cannot harvest from any existing notifier.

In the OR-1 and OR-2 family of measurements, Verizon failed to meet the minimum level of acceptability ** times during the months of November through March. See Presentation pp. 6-8. In the OR-4 family of measurements, Verizon failed to meet the minimum level of acceptability ** times during the months of November through March. Significantly, the total number of measurements in this family for the same period was 20. Accordingly, there were only ** instances where Verizon did meet the minimum threshold for MetTel's orders.

These results are dramatically different than the results presented by Verizon. Verizon for the OR-1 and OR-2 family of measurements reported only ** failures for MetTel's orders and for the OR-4 family reported ** failures for MetTel's orders. For the industry, Verizon failed two of the sub metrics for this time period. Verizon's self admitted failure in this critical category should be a sufficient basis to deny 271 authorization alone.

The discrepancy between Verizon's reported results and MetTel's results is alarming. MetTel analyzed the discrepancies and categorized the major issues into several major categories: (1) Multiple copies of notifiers were sent and Verizon utilized a later copy which was transmitted in subsequent month; (2) Verizon issued both a FOC and a Reject on a single order and counted the FOC; (3) Verizon counted a different notifier in lieu of a notifier never sent; and (4) Project PONs were incorrectly included or excluded. Interestingly, MetTel could not replicate the number of PONs on the Flat File meeting the selection criteria with the number of PONs on some of the Verizon Performance Reports.

Against this background, whether it is Verizon's calculations or MetTel calculations, it is clear the MetTel is not receiving non-discriminatory access. Moreover, based on the discrepancy between MetTel's calculations and Verizon's calculations, there is little doubt that similar "discrepancies" exist in Verizon's industry aggregate calculations.

MetTel highlighted the gamesmanship surrounding Verizon's use of project PONs. Notwithstanding the fact that MetTel and Verizon agreed to exclude approximately *** PONs from OR-1 and 2 measurements, Verizon has taken the position that the PONS should be excluded from all measurements. Verizon reached this conclusion only after it submitted its initial performance reports for January and later realized that it could improve upon its failing performance if it excluded these PONs. That, however, was not enough for Verizon. Examination of the Flat File disclosed, however, that Verizon would

exclude these PONs in some measurements but not in other measurements where their results were improved. MetTel noted that the notifier measurements (OR-4), which should never have to exclude project PONs, dramatically dropped off with the inclusion of these PONS. These results emphasize that Verizon's OSS is not ready for a robust competitive market. If one carrier's orders can impact a measurement so materially, it is a clear indication that the industry will experience a commercially unacceptable service level in the near future.

The foregoing results exist while Verizon is being viewed under a 271 microscope. MetTel urged that Verizon's performance is at its best when Verizon is evaluated in this context. Once 271 is granted, CLECs no longer receive the attention that is given during this time period and any shortcomings become part of a CLECs daily routine. MetTel has been raising the same issues in New York since 2000 and the only time that these issues received any attention was when they were brought to a state forum.

Accurate Provisioning of PCNs and BCNs

MetTel has not only contended that Verizon timeliness performance is unsatisfactory but the reliability of these notifiers is also unsatisfactory. MetTel noted that Verizon had repeatedly denied that MetTel was receiving usage after line suspension. Recently, MetTel and Verizon attempted to reconcile MetTel's "false notifier" results as they relate to usage after suspension. Verizon has admitted that MetTel is in fact receiving usage after suspension. In a not so shocking manner, Verizon is essentially contending that it is acceptable under the following circumstances: (1) as a result of removing the suspension in order to winback the customer; or (2) in a certain situation (i.e. assumed dial 9—centrex) the blocks that should have suspended the line do not in fact suspend the line. In other words, Verizon claims that there is no way to suspend a particular type of centrex line. In fact, Verizon recently mailed an industry letter on this latter point. Again, MetTel has been complaining of these problems since 2000 in New York. These complaints have fallen on deaf ears—symptomatic of Verizon's post 271 service level. They could have easily been resolved and or avoided if in fact Verizon simply stopped denying their existence (even during Verizon's 271 application in Pennsylvania).

Significantly, MetTel noted that it was receiving a FOC, PCN and BCN on all of these blocking orders—even though there was no action being taken on them. This is not at all different from MetTel's point all along—they were false notifiers existing only to improve Verizon's performance results.

Likewise, MetTel experiences similar problems with PIC changes. In other words, after a PIC changes is completed, MetTel examines its category 11 records to verify that the customers' presubscribed calls are being properly routed to MetTel's correct Carrier Identification Code ("CIC"). In this category, performance has been deteriorating. MetTel's summary chart demonstrates that despite receiving a BCN reflecting that the CIC change was performed, the end user's presubscribed call was not routed to MetTel's CIC. In March, ** % of the first calls examined were not routed as requested. Those false BCNs affected almost ** % of the calls in the examined pool. More importantly,

the trend has gotten significantly worse as the percentages were around **% in January. It is MetTel's position that these systemic problems exist in all order types. Migrations and other orders are not immune and in the aggregate Verizon's false PCNs and BCNs serve to confuse CLECs while meeting their own performance requirements.

Finally, MetTel emphasized that several years ago, in the context of Verizon's 271 application for New York, anecdotal evidence of OSS problems were rejected by the Commission. Now that MetTel has designed a system that tracks every order for timeliness and quality, it is incumbent upon the Commission to compel Verizon to really meet its OSS requirements prior to 271 authorization.

MetTel provided the staff with the enclosed confidential handouts during the meeting. All the handouts contain proprietary information. The only handout that could be redacted has been included in MetTel's electronic filing.

If you have any questions, please do not hesitate to call me.

Sincerely,

Andoni Economou